



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

EXECUTIVE DIRECTIVE

No. 2004 — 8

TO: Department Directors and Autonomous Agency Heads

FROM: Governor Jennifer M. Granholm

DATE: October 27, 2004

SUBJECT: **Restrictions on Purchase of Non-Essential Supplies, Materials, Equipment, Printing, or Other Products**

Due to continuing state budget constraints, I am issuing this Executive Directive, which has as its objective continued across-the-board expenditure controls by agencies within the Executive Branch of state government. While recognizing that resources are already scarce, and that greater efficiencies in the administrative operations of state departments and agencies already have been achieved, continuing efforts to reduce costs and curtail spending remain essential. Accordingly, I direct:

A. For the remainder of the fiscal year ending September 30, 2005, the purchase of, or contracting for, all supplies, materials, equipment, printing, or other products financed with state funds should be deferred and limited to only the most essential requirements. Products subject to these restrictions include, but are not limited to, office furniture and equipment, new or used; and computer hardware or software. Examples of essential requirements include any of the following:

1. A purchase or contract required by legal mandate or court order or for law enforcement purposes.
2. A purchase or contract necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
3. A purchase or contract necessary to provide for the basic requirements of residents of state institutions or facilities, including, but not limited to, food, clothing, and prescription drugs.

4. A purchase or contract essential to the continued functioning of a legally-mandated program or activity of state government.

5. A purchase or contract necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

6. A purchase or contract necessary to comply with federal requirements.

B. In complying with this Directive, department directors and heads of autonomous agencies should regularly review and implement measures to restrict whenever feasible the procurement of supplies, materials, equipment, printing, or other products using a procurement card issued pursuant to procedures established under Section 0510.03 of the Administrative Guide to State Government.

C. The Department of Management and Budget ("DMB") and the State Budget Office regularly shall review department and agency expenditures. If the Director of the DMB determines that a department or agency has failed to demonstrate significant and continuing progress in meeting the objectives of this Directive, the Department of Management and Budget shall rescind procurement authority delegated to the department or agency, including, but not limited to, delegation authorized under Section 261 of the Management and Budget Act, 1984 PA 431, MCL 18.1261, or under Sections 0510.01 or 0510.12 of the Administrative Guide to State Government. The State Budget Director may recommend to the Director of the Department of Management and Budget rescission of delegated purchasing authority under this paragraph.

D. The Department of Management and Budget and its Office of Acquisition Services shall make every effort to further reduce total state contractual expenditures for supplies, materials, equipment, printing, or other products, in the best interests of this state. Other departments and agencies shall provide the Department of Management and Budget full cooperation in this effort.

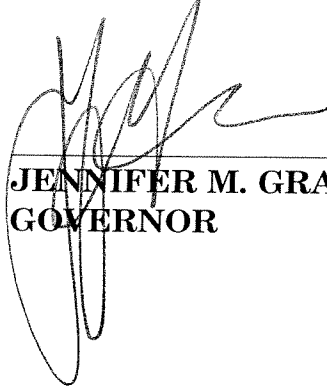
E. The restrictions established under this Directive apply regardless of the state fund source financing a purchase or a contract.

F. The restrictions established under this Directive apply both to new contracts and to the amendment, extension, renewal, or reauthorization of existing contracts.

G. While this Directive applies to the purchase of non-essential supplies, materials, equipment, printing, or other products, restrictions on contracts for services are imposed under Executive Directive 2004-9.

H. This Directive is effective immediately and remains in effect through September 30, 2005.

Your assistance and fiscally responsible action, and the continued hard work of state employees in this time of continuing fiscal constraints, are greatly appreciated.



JENNIFER M. GRANHOLM
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